

**STATEMENT  
OF  
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IMMIGRATION AND NATURALIZATION SERVICE  
DEPARTMENT OF JUSTICE**

**REGARDING  
A HEARING ON  
IMMIGRATION ISSUES:  
ALIEN SMUGGLING AND VISA OVERSTAYS**

**BEFORE  
THE SUBCOMMITTEE ON IMMIGRATION AND CLAIMS  
THE COMMITTEE ON THE JUDICIARY  
U.S. HOUSE OF REPRESENTATIVES**

**THURSDAY, MARCH 18, 1999  
2237 RAYBURN HOUSE OFFICE BUILDING  
2:00PM**

Mr. Chairman, Congresswoman Jackson-Lee and members of the Subcommittee, my name is Louis F. Nardi. I am the Director of the Smuggling/Criminal Organizations Branch for the Immigration and Naturalization Service (INS). Thank you for this opportunity to testify on INS' increasingly successful Anti-Smuggling program. INS has responded to a call from Congress and the American people to focus greater attention on alien smugglers who, through their reckless profiteering, endanger the lives of vulnerable aliens and compromise the integrity of our immigration laws.

## **INTRODUCTION**

The number and sophistication of alien smuggling organizations have increased dramatically in the past three years and pose a threat not only to our border enforcement activities but to our national security as well. The pressures on our borders have never been greater. The global economy and instability of governments worldwide contribute to an ever-increasing flow of people seeking entry into the United States. However, INS' traditional efforts to stop illegal migration solely at the border will no longer suffice as the organized trade in alien smuggling flourishes.

Alien smuggling organizations operate internationally with near impunity. Public corruption in source and transit countries contributes to a smuggling organization's ability to move large groups of aliens destined for the United States. Increased visa fraud

committed by alien smuggling organizations in turn threatens the integrity of our legal immigration process. Smuggling on the Southwest border continues to flourish and northern border smuggling activity is on the rise. Maritime smuggling from the Caribbean into South Florida is increasing, and we have recently noticed the re-emergence of Chinese boat smuggling on both the East and West Coasts.

Previous testimony before the Subcommittee on Immigration and Claims in April 1997 described the growing sophistication of alien smuggling, a business that has blossomed into a multi-billion-dollar-a-year enterprise. Even with unprecedented increases in INS personnel and resources allocated for the Southwest border, alien smuggling continues to grow and prosper. As the INS continues to expand its control of traditional crossing points on the U.S. land borders, alien smuggling organizations counter with more sophisticated, complex, dangerous, and desperate methods to smuggle aliens into the United States.

Gone are the days when aliens could pay a smuggler on the Southwest border \$25 to assist them in entering the United States, with the guarantee that they will be assisted again if caught. With the emergence of international smuggling organizations, INS has seen a dramatic rise in smuggling fees, some as high as \$50,000, as well as the creation of highly innovative smuggling methods and new routes. Some organizations have gone so far as to purchase ocean going vessels with the express purpose of transporting human beings. New routes of travel may include transit through multiple countries, utilizing various conveyances and fraudulent or counterfeit documents. Smuggling organizations,

recognizing that some employers in the interior of the United States rely heavily on an unauthorized workforce, have responded by providing transportation directly to the work sites.

In the face of a situation that sometimes seems overwhelming, and confronted with undeniable challenges, INS' Anti-Smuggling Special Agents, assigned to District offices and Border Patrol sectors are committed to disrupting the means and methods that facilitate alien smuggling.

## **INS RESPONSE**

INS encounters and combats alien smuggling in the normal course of business at our ports of entry and along our land borders. In response to the growing threat posed by alien smuggling organizations, INS developed a National Anti-Smuggling Strategy, adopted in November 1997. This strategy, along with the anticipated deployment of the recently funded Quick Response Teams, has been incorporated in our new INS Interior Enforcement Strategy. This overarching strategy is designed to maximize the utilization and effectiveness of our resources, complement its border control strategy and target these factors which most contribute to the presence of illegal aliens in the interior of the United States.

INS faces a smuggling threat at both our southern and northern borders, at our land border ports and airports, and on the high seas. However, the greatest threat continues to be along the Southwest border. The reasons are as follows:

- The largest number of illegal aliens that are assisted by smuggling organizations cross the Southern border;
- As countries standardize and improve travel documents, the Southwest border poses the greatest potential criminal alien entry threat due to the fact that aliens can cross without documents;
- The large number of organizations that operate in the area; and
- INS intelligence has confirmed that the majority of illegal aliens with prearranged employment have entered the country by crossing the Southern border.

The strategy involves overseas districts and domestic district and sector offices engaging in a Service-wide, integrated enforcement effort to identify, dismantle or disrupt alien smuggling organizations. INS special agents focus enforcement efforts on targeting complex, sophisticated alien smuggling organizations that are international in scope. These organizations, based in source countries, transit countries or in the United States, may use multiple organizations, or smuggling "subcontractors", to further insulate them from identification and prosecution by law enforcement agencies. INS' Anti-Smuggling Strategy adopts a linear enforcement concept, involving all enforcement components of INS, and is designed to disrupt alien smuggling activities at all levels of

operation. The strategy is crafted to be flexible and seeks the best mix of enforcement responses to changing situations.

Anti-smuggling personnel utilize all available resources, including new or expanded investigative authorities provided by Congress in 1996. In addition to conferring expanded investigative authority to INS, the 1996 law significantly enhanced sentencing guidelines for individuals convicted of alien smuggling-related offenses. INS has begun to use a wide range of investigative techniques to combat alien smuggling. They include: application of expanded asset forfeiture laws; use of wire intercepts; establishment of an undercover proprietary business, which permits INS to establish a business enterprise for the purpose of using proceeds to sustain the investigation; and use of the Racketeer Influenced and Corrupt Organizations (RICO) statute which now designates alien smuggling and immigration-related visa fraud as RICO predicate offenses. Recognizing that some of these investigative authorities involve intrusive methods, the INS has adopted a phased-in implementation plan for their use. As part of this plan, the INS has implemented a Memorandum of Understanding with the Federal Bureau of Investigation (FBI) regarding joint alien smuggling investigations.

INS has been successful in its prudent use of the authority Congress has given to us. To date, INS has initiated two smuggling investigations in which wire intercepts have been utilized. INS has also initiated criminal investigations, predicated upon alien smuggling violations, in which a proprietary was utilized as a significant aspect of the undercover operation. We continue to seize property, money and other assets during the

course of alien smuggling investigations. We have successfully begun the process of developing the non-traditional investigative and technical expertise to investigate criminal enterprises. I will provide highlights of cases, which employed these methods later in my testimony.

Another enforcement tool provided by Congress is Quick Response Teams (QRTs). In 1999, Congress authorized 200 Investigations and Detention and Deportation positions to create these teams. Designed to respond to requests for assistance from state and local law enforcement agencies, the QRTs will be comprised of special agents, detention enforcement officers, deportation officers and supervisors. QRTs will be deployed in locations with a high concentration of illegal aliens, in alien smuggling transportation corridors, and areas, which in recent years have experienced a substantial increase in illegal migration. These teams will augment INS' efforts by identifying and disrupting alien smuggling transportation routes and by providing information on final destination and work site locations.

## **CASE HIGHLIGHTS**

Having set the stage for INS' approach to investigating alien smuggling cases, I would like to share with the Subcommittee a few examples of successful INS anti-smuggling efforts. The cases I will describe are a direct result of INS' development of a comprehensive strategy and commitment . Working in close coordination with the FBI,

U.S. Coast Guard, and other law enforcement agencies, we have achieved some major success in the fight against those who traffic in human beings.

### **Operation Seek and Keep**

Just four months ago, we announced the results of Operation Seek and Keep, a year-long, multi-agency investigation that broke the largest, most complex alien smuggling ring INS has ever encountered. This criminal enterprise, which had been in operation for at least three years, was smuggling as many as 300 Indian nationals into the United States every month, at a cost of more than \$20,000 per alien. We estimate that more than 10,000 illegal aliens were brought into the United States in the last three years by this organization, with organizers grossing more than \$200 million. After enjoying years of enormous profits, derived from human misery and desperation, the organization and its members are now out of business.

Twenty-four individuals have been arrested in the United States, Bahamas, Central America and the Dominican Republic. Defendants have been charged with alien smuggling, conspiracy and money laundering. It now appears that the majority, if not all of the defendants, will plead guilty, including the kingpin, Nitin Shetty, also known as Nick Diaz. Operation Seek and Keep represented the first case in which INS used its wiretap authority derived from the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. Additionally, coordinating extensive overseas locate and



arrest activity was made possible by the permanent INS enforcement officers assigned overseas under our “Global Reach” initiative.

Successful criminal investigations are built on a foundation of coordination and cooperation. While INS initiated and led the Operation Seek and Keep investigation, our efforts could not have been as successful without the active support of the FBI, U.S. Attorney's Office, Internal Revenue Service, U.S. Postal Service, Customs Service, and the Department of State. Equally integral to our success was the assistance provided by government officials from more than a half dozen other nations through INS’ overseas offices.

I must take this opportunity to thank the FBI for its assistance in providing INS with the technical and administrative expertise on the wiretap used in this case and in Operation Over the Rainbow II, which I will discuss momentarily. In addition, the FBI provided training for other INS special agents and supervisors in the technical and administrative aspects of wire intercepts, at no cost to INS. From the success generated through the cooperation between the FBI and INS, discussions have begun regarding the exchange of senior special agents in order to coordinate and monitor joint investigations between the FBI and INS, strengthening our ability to successfully investigate alien smuggling criminal enterprises.

## **Operation Over the Rainbow II**

Just three weeks after announcing its accomplishments in Operation Seek and Keep, INS announced the results of another year-long, multi-agency investigation known as Operation Over the Rainbow II. This alien smuggling investigation, initiated by our Buffalo District Office, crippled a criminal syndicate responsible for smuggling as many as 150 Chinese nationals per month into the United States across our Northern border.

This smuggling operation, which spanned five continents, was immensely profitable. We estimate that these criminals, who charged a fee of \$47,000 per person, earned as much as \$169 million over the past two years. The smugglers were able to set their fee at such an exorbitant level by exploiting the desperation of aliens wanting to enter the United States. To deliver their human cargo to the United States and collect the excessive fee, the organization attempted to take advantage of the complex law enforcement situation at the U.S.-Canadian Border.

This investigation revealed that the aliens were smuggled into Canada using fraudulent documents. The aliens were then transported to New York City via the St. Regis Mohawk Territory at Akwesasne, an Indian reservation that straddles the U.S.-Canadian Border. The smugglers sought to exploit the fact that the United States, Canada, New York State, Ontario, Quebec, and tribal governments all have some jurisdiction over the 28,000-acre territory. And for a time, they succeeded.

In testimony previously provided to the Subcommittee in 1997, INS described the emergence of the Akwesasne Reservation as a growing alien smuggling threat. After an extensive investigative effort, we were able to end their success by bringing all the pertinent law enforcement agencies together as a single investigative force. In addition to INS, Royal Canadian Mounted Police, and Toronto Police Service -- the three lead agencies -- the investigation involved the FBI, Internal Revenue Service, New York State Police, the U.S. Attorney's Office for the Northern, Eastern, and Southern Districts of New York, and the St. Regis Mohawk Tribal Police.

The closed nature of life on the reservation created difficulties in penetrating criminal elements with traditional investigative methods. However, in July 1998, the Department of Justice authorized a wiretap on the targets of the investigation. The information obtained from this wiretap led to the indictment of 47 members of the Chinese alien smuggling ring, including members of the Akwesasne tribe. To date, a total of 37 arrests have been made in Canada and the United States. All defendants have been charged with alien smuggling, and the majority of defendants are cooperating with the United States Attorney and INS to identify additional targets.

### **Operation Cook**

The investigation of a group of individuals responsible for smuggling hearing and speech impaired aliens into the United States, known as Operation Cook, was initiated by our New York District Office in 1997. The aliens, smuggled into the United States

across the Southwest border, were forced to sell trinkets on the streets of New York City and surrounding boroughs and were kept against their will in appalling conditions. In addition, the aliens were beaten and tortured if they did not meet their daily quota of sales.

Acting in response to leads furnished by the New York City Police Department, the INS was able to identify and charge 20 individuals for their involvement. Through the outstanding efforts of our Mexico City District Office, the Mexican Government provided significant information and assistance to INS. Of the 20 individuals charged, 18 were apprehended and convicted on various criminal counts. Including alien smuggling, conspiracy, aiding and abetting, interference with commerce with threats or violence, and involuntary servitude. Through enhanced sentencing guidelines, convictions for these violations resulted in prison sentences ranging from one to 14 years. The two individuals who fled the United States to avoid prosecution in this country remain at-large in Mexico.

### **Operation I-25 Confederation**

This successful investigation of Atlantic Finishing, a Georgia-based apparel manufacturer, was the result of a two-year probe conducted by Border Patrol Anti-Smuggling Special Agents in Las Cruces, New Mexico, and the Atlanta District Office. This case began on the Southern border in December 1996, with the arrest of a smuggler driving a van load of illegal aliens. Over a three-year period, identified subjects of this investigation smuggled several groups of illegal aliens from Central Mexico through New

Mexico into Georgia. The smugglers harbored the aliens in private homes and assisted them in obtaining employment, often through the use of fraudulent documents.

INS expanded the investigation to target the employer, Atlantic Finishing, and its president and owner, Fred Parrish, for his involvement in the recruiting of illegal aliens to work in his company. Parrish enlisted the services of a smuggling organization to supply him with an easily obtained, exploitable work force. Parrish and other company employees falsified the immigration forms used to document an individual's identity and employment eligibility, allowing the illegal aliens to gain unlawful employment.

The agents' investigation culminated last April when the company president and 10 other defendants pled guilty to involvement in an interstate smuggling ring. Parrish was sentenced to a 10-month jail term and fined \$10,000. Atlantic Finishing was fined a total of \$84,000.

INS has long maintained that there is a nexus between alien smuggling and illegal employment. However, this was the first case of its kind prosecuted by INS which followed the smuggling act to its completion to the work site and held the employer accountable for his criminal misconduct. This case serves as the model for INS' strategy to initiate, investigate, and prosecute smuggling organizations at all levels of operation, including final destinations and work sites.

## **Operation Xing Da**

A joint investigation between INS and the U.S. Coast Guard, Operation Xing Da, began in late 1995 and concluded early last year. This case involved a smuggling organization, based in New York City that was responsible for bringing Chinese nationals into the United States by boat. INS agents working undercover infiltrated the organization. The coordinated effort between the Coast Guard and INS from the early stages of the investigation led to the boarding of the cargo ship, the Xing Da, in October 1996, approximately 200 miles northwest from Bermuda resulting in the discovery of 109 Chinese nationals.

This investigation led to the arrest and conviction of seven individuals responsible for the recruiting of individuals in China and for making the arrangements to have the vessel off-loaded near Boston, Massachusetts. These individuals received sentences ranging from three to 12 years for alien smuggling violations, sentences that were unheard of a few years ago.

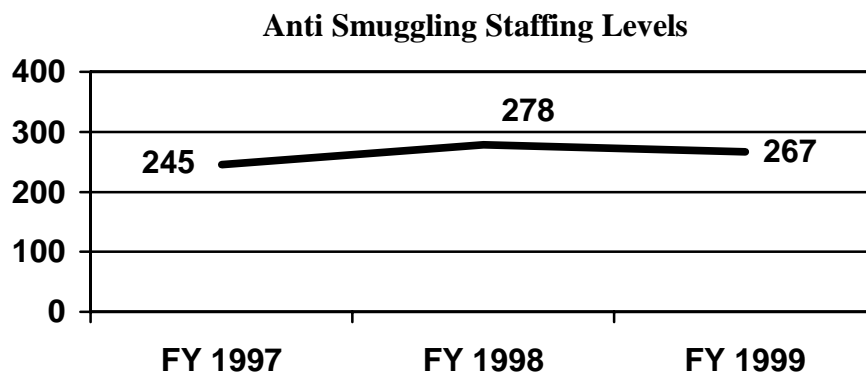
## **Operation Eastern Star**

Operation Eastern Star was an INS international investigation into the George Tajarian Organization, which had been the focus of several INS investigations but was able to elude prosecution for many years. Tajarian's organization specialized in smuggling individuals from the Middle East, particularly Iraq, Jordan, Syria, and the

Palestinian Territory across the Southern border. Tajarian was arrested in Miami, after being expelled by Panamanian immigration officials, and sentenced to 13 years in prison for his smuggling activity.

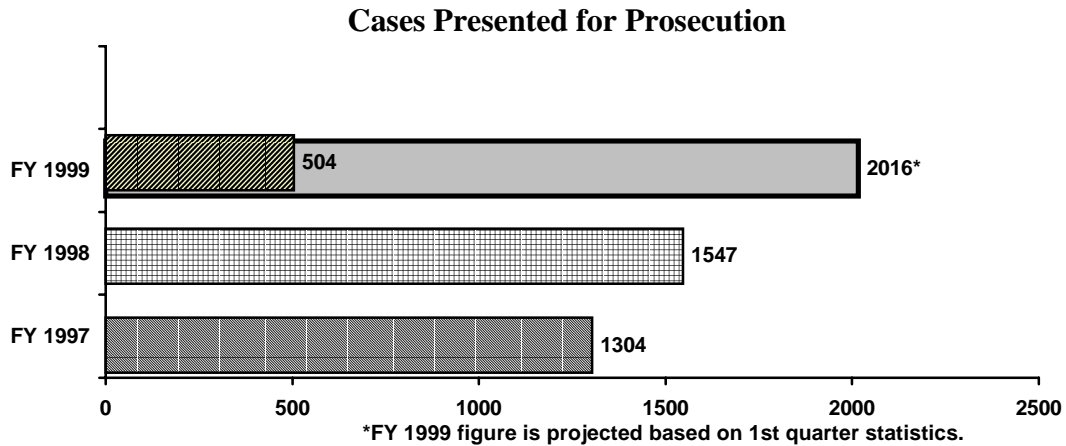
The conviction of Tajarian brought to a close nearly 20 years of alien smuggling by his organization. The successful prosecution of this case was the direct result of a combined effort of INS domestic and overseas offices, the FBI, and the Department of Justice, Office of International Affairs. Equal praise should also be given to the government of Panama for quickly expelling Tajarian to the United States. Absent a well- coordinated approach, Tajarian would still be operating today.

#### **ANTI-SMUGGLING STAFFING LEVELS AND PROSECUTIONS**



As you can see from the above chart, INS' anti-smuggling resources have remained relatively unchanged over the past three years. INS resources include supervisory special agents, special agents and support personnel.

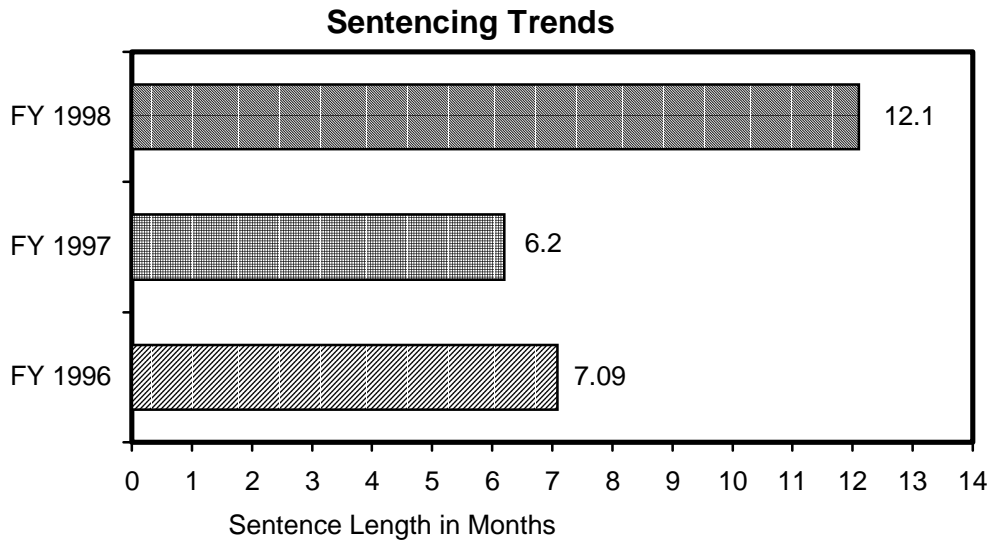
Despite little change in dedicated resources, INS continues to improve its efficiency in identifying and prosecuting alien smugglers as indicated below.



Cases presented for prosecution increased by 19 percent from FY 1997 to FY 1998. Although resources decreased almost 4 percent in FY1999, it is projected that cases presented for prosecution will increase by 30 percent.

As I mentioned previously, in 1996 Congress enhanced federal sentencing guidelines for alien smuggling offenses.





The above chart demonstrates that sentences imposed for alien smuggling offenses nearly doubled from FY 1997 to FY 1998. INS expects this trend to continue as we target the most serious violators.

## CONCLUSION

Given a clear criminal investigative mandate and dedicated resources, ensuring cooperation between INS overseas and domestic offices, other law enforcement agencies and foreign governments, and comprehensive investigative authorities, INS anti smuggling agents have clearly demonstrated their professionalism and dedication.

I would like to take this opportunity to thank the Terrorism and Violent Crime Section, the Organized Crime Racketeering Strike Force Section and the Office of Enforcement Operations of the Department of Justice for their counsel, assistance,

support and approval of significant undercover operations conducted by INS anti-smuggling special agents.

Mr. Chairman and members of the Subcommittee, I thank you again for this opportunity and am pleased to answer any questions you may have.